made in the cheque currency which our bankers had developed outside of the law and could create as fast as prudence—and an eye to the supply of legal tender which every holder of a cheque had a right to demand—allowed them to do so. While cheques provided the currency of commerce, another form of "money" was produced, again without any restriction by the Act, by the pleasant convention which caused a credit in the Bank of England's books to be regarded as "cash" for balance-sheet purposes by the banks. These advantages gave the English system a freedom and elasticity, in spite of the strictness of the law that regulated the issue of paper currency, that enabled it to work in a manner that, judged by the test of practical results, had one great advantage over that of any of the rival centres. It alone in days before the war fulfilled the functions of an international banker by being ready at all times and without question to pay out the gold that was, in the last resort, the final means of settling international balances.

It is the object of Lord Cunliffe's Committee to restore as quickly as possible the system which has thus been tried by the test of experience. 'After the war,' they say in their Report, "our gold holdings will no longer be protected by the submarine danger, and it will not be possible indefinitely to continue to support the exchanges with foreign

countries by borrowing abroad. Unless the machinery which long experience has shown to be the only effective remedy for an adverse balance of trade and an undue growth of credit is once more